

**Representative Brad L. Dee** proposes the following substitute bill:

**LOCAL GOVERNMENT AMENDMENTS**

2006 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Brad L. Dee**

Senate Sponsor: Carlene M. Walker

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**LONG TITLE**

**General Description:**

This bill modifies provisions relating to local governments.

**Highlighted Provisions:**

This bill:

- ▶ expands the reach of the Local Government Bonding Act so that the act applies to additional independent special districts and to local districts;
- ▶ modifies definitions in the Local Government Bonding Act;
- ▶ adds to the Local Government Bonding Act a provision that:
  - authorizes a local political subdivision to require bonds to recite that they comply with applicable law; and
  - makes bonds incontestible if they contain that recital;
- ▶ modifies provisions that validates bonds and tax anticipation obligations and proceedings relating to them;
- ▶ adds a provision authorizing a newly created local political subdivision to issue tax and revenue anticipation notes or bonds;
- ▶ adds to the Local Government Bonding Act a provision that makes bonds legal investments for various funds, allows funds to be invested in or loaned upon the security of local political subdivision bonds, and allows bonds of a local political



26 subdivision to be used as security for the faithful performance on execution of a court or  
27 private trust or other act;

28       ▶ expands the reach of a provision under which an independent special district may be  
29 conclusively presumed to have been lawfully created and existing to apply to all

30 independent special districts rather than those created after May 4, 1999;

31       ▶ modifies the bonding authority of cemetery maintenance districts;

32       ▶ modifies county service area provisions related to bonding;

33       ▶ authorizes mosquito abatement districts to issue notes and bonds, subject to a debt  
34 limit;

35       ▶ modifies provisions applicable to administrative control boards of special service  
36 districts;

37       ▶ eliminates independent special districts provisions made redundant and superfluous  
38 because of changes in this bill to the Local Government Bonding Act; and

39       ▶ makes technical changes.

40 **Monies Appropriated in this Bill:**

41       None

42 **Other Special Clauses:**

43       None

44 **Utah Code Sections Affected:**

45 AMENDS:

46       **11-14-102**, as enacted by Chapter 105, Laws of Utah 2005

47       **11-14-103**, as enacted by Chapter 105, Laws of Utah 2005

48       **11-14-201**, as renumbered and amended by Chapter 105, Laws of Utah 2005

49       **11-14-202**, as renumbered and amended by Chapter 105, Laws of Utah 2005

50       **11-14-205**, as renumbered and amended by Chapter 105, Laws of Utah 2005

51       **11-14-206**, as renumbered and amended by Chapter 105, Laws of Utah 2005

52       **11-14-207**, as renumbered and amended by Chapter 105, Laws of Utah 2005

53       **11-14-301**, as renumbered and amended by Chapter 105, Laws of Utah 2005

54       **11-14-302**, as renumbered and amended by Chapter 105, Laws of Utah 2005

55       **11-14-303**, as renumbered and amended by Chapter 105, Laws of Utah 2005

56       **11-14-305**, as renumbered and amended by Chapter 105, Laws of Utah 2005

- 57           **11-14-306**, as renumbered and amended by Chapter 105, Laws of Utah 2005
- 58           **11-14-307**, as renumbered and amended by Chapter 105, Laws of Utah 2005
- 59           **11-14-308**, as renumbered and amended by Chapter 105, Laws of Utah 2005
- 60           **11-14-310**, as renumbered and amended by Chapter 105, Laws of Utah 2005
- 61           **11-14-311**, as renumbered and amended by Chapter 105, Laws of Utah 2005
- 62           **11-14-312**, as renumbered and amended by Chapter 105, Laws of Utah 2005
- 63           **11-14-313**, as renumbered and amended by Chapter 105, Laws of Utah 2005
- 64           **11-14-314**, as renumbered and amended by Chapter 105, Laws of Utah 2005
- 65           **11-14-315**, as renumbered and amended by Chapter 105, Laws of Utah 2005
- 66           **11-14-316**, as renumbered and amended by Chapter 105, Laws of Utah 2005
- 67           **11-14-405**, as renumbered and amended by Chapter 105, Laws of Utah 2005
- 68           **11-14-406**, as renumbered and amended by Chapter 105, Laws of Utah 2005
- 69           **17A-2-103**, as enacted by Chapter 177, Laws of Utah 2000
- 70           **17A-2-223**, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 71           **17A-2-315**, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 72           **17A-2-317**, as last amended by Chapter 90, Laws of Utah 2001
- 73           **17A-2-423**, as last amended by Chapter 105, Laws of Utah 2005
- 74           **17A-2-424**, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 75           **17A-2-426**, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 76           **17A-2-428**, as last amended by Chapter 105, Laws of Utah 2005
- 77           **17A-2-431**, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 78           **17A-2-543**, as last amended by Chapter 105, Laws of Utah 2005
- 79           **17A-2-908**, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 80           **17A-2-1326**, as last amended by Chapters 195 and 284, Laws of Utah 2001
- 81           **17A-2-1828**, as enacted by Chapter 216, Laws of Utah 1995

82 ENACTS:

- 83           **11-14-304.5**, Utah Code Annotated 1953
- 84           **11-14-317**, Utah Code Annotated 1953

85 REPEALS:

- 86           **17A-2-311**, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 87           **17A-2-314**, as renumbered and amended by Chapter 186, Laws of Utah 1990

- 88 17A-2-316, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 89 17A-2-321, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 90 17A-2-324, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 91 17A-2-330, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 92 17A-2-421, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 93 17A-2-422, as last amended by Chapter 90, Laws of Utah 2001
- 94 17A-2-427, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 95 17A-2-429, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 96 17A-2-547, as last amended by Chapter 254, Laws of Utah 2000
- 97 17A-2-558, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 98 17A-2-825, as last amended by Chapter 254, Laws of Utah 2000
- 99 17A-2-832, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 100 17A-2-1825, as last amended by Chapter 105, Laws of Utah 2005
- 101 17A-2-1827, as enacted by Chapter 216, Laws of Utah 1995

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*Be it enacted by the Legislature of the state of Utah:*

103 Section 1. Section 11-14-102 is amended to read:

104 **11-14-102. Definitions.**

105 For the purpose of this chapter:

106 (1) "Bond" means any bond authorized to be issued under this chapter, including  
107 municipal bonds.

108 (2) "Election results" [~~means the same as "election results"~~] has the same meaning as  
109 defined in Section 20A-1-102.

110 (3) "Governing body" means:

111 (a) for a county, city, or town, the legislative body of the county, city, or town;

112 (b) for an independent special district or local district, the board of trustees of the  
113 independent special district or local district;

114 (c) for a school district, the local board of education; or

115 (d) for a special service district under Title 17A, Chapter 2, Part 13, Utah Special  
116 Service District Act, the governing body of the county or municipality that created the special  
117 service district.

119           (4) "Independent special district" means a district operating under Title 17A, Chapter  
120 2, Independent Special Districts.

121           (5) "Local district" means a district operating under Title 17B, Chapter 2, Local  
122 Districts.

123           ~~[(3)]~~ (6) (a) "Local political subdivision" ~~[includes:]~~ means a county, city, town, school  
124 district, independent special district, or local district.

125           ~~[(i) cities;]~~

126           ~~[(ii) towns;]~~

127           ~~[(iii) counties;]~~

128           ~~[(iv) school districts;]~~

129           ~~[(v) public transit districts;]~~

130           ~~[(vi) improvement districts operating under the authority of Title 17A, Chapter 2, Part~~  
131 ~~3, County Improvement Districts for Water, Sewage, Flood Control, Electric and Gas;]~~

132           ~~[(vii) special service districts operating under the authority of Title 17A, Chapter 2,~~  
133 ~~Part 13, Utah Special Service District Act;]~~

134           ~~[(viii) metropolitan water districts operating under the authority of Title 17A, Chapter~~  
135 ~~2, Part 8, Metropolitan Water District Act;]~~

136           ~~[(ix) irrigation districts operating under the authority of Title 17A, Chapter 2, Part 7,~~  
137 ~~Irrigation District Act;]~~

138           ~~[(x) water conservancy districts operating under the authority of Title 17A, Chapter 2,~~  
139 ~~Part 14, Water Conservancy Districts; and]~~

140           ~~[(xi) regional service areas operating under the authority of Title 17A, Chapter 2, Part~~  
141 ~~18, Regional Service Area Act.]~~

142           (b) "Local political subdivision" does not include the state and its institutions.

143           Section 2. Section **11-14-103** is amended to read:

144           **11-14-103. Bond issues authorized -- Purposes -- Use of bond proceeds.**

145           (1) Any local political subdivision may, in the manner and subject to the limitations  
146 and restrictions contained in this chapter, issue its negotiable bonds for the purpose of paying  
147 all or part of the cost of:

148           (a) acquiring, improving, or extending any one or more improvements, facilities, or  
149 property that the local political subdivision is authorized by law to acquire~~[-(2) Any local~~

150 ~~political subdivision may also issue such bonds for the acquisition of or the acquisition of],~~  
151 improve, or extend; or

152 (b) acquiring, or acquiring an interest in, any one or more or any combination of the  
153 following types of improvements, facilities, or property to be owned by the local political  
154 subdivision, either alone or ~~[to be owned]~~ jointly ~~[by two]~~ with one or more other local  
155 political subdivisions, or for the improvement or extension of any ~~[such]~~ of those wholly or  
156 jointly owned ~~[facility or property]~~ improvements, facilities, or properties:

157 ~~[(a)]~~ (i) public buildings of every nature, including without limitation, offices,  
158 courthouses, jails, fire, police and sheriff's stations, detention homes, and any other buildings to  
159 accommodate or house lawful activities of a local political subdivision;

160 ~~[(b)]~~ (ii) waterworks, irrigation systems, water systems, dams, reservoirs, water  
161 treatment plants, and any other improvements, facilities, or property used in connection with  
162 the acquisition, storage, transportation, and supplying of water for domestic, industrial,  
163 irrigation, recreational, and other purposes and preventing pollution of water;

164 ~~[(c)]~~ (iii) sewer systems, sewage treatment plants, incinerators, and other  
165 improvements, facilities, or property used in connection with the collection, treatment, and  
166 disposal of sewage, garbage, or other refuse;

167 ~~[(d)]~~ (iv) drainage and flood control systems, storm sewers, and any other  
168 improvements, facilities, or property used in connection with the collection, transportation, or  
169 disposal of water;

170 ~~[(e)]~~ (v) recreational facilities of every kind, including without limitation, athletic and  
171 play facilities, playgrounds, athletic fields, gymnasiums, public baths, swimming pools, camps,  
172 parks, picnic grounds, fairgrounds, golf courses, zoos, boating facilities, tennis courts,  
173 auditoriums, stadiums, arenas, and theaters;

174 ~~[(f)]~~ (vi) convention centers, sports arenas, auditoriums, theaters, and other facilities  
175 for the holding of public assemblies, conventions, and other meetings;

176 ~~[(g)]~~ (vii) roads, bridges, viaducts, tunnels, sidewalks, curbs, gutters, and parking  
177 buildings, lots, and facilities;

178 ~~[(h)]~~ (viii) airports, landing fields, landing strips, and air navigation facilities;

179 ~~[(i)]~~ (ix) educational facilities, including without limitation, schools, gymnasiums,  
180 auditoriums, theaters, museums, art galleries, libraries, stadiums, arenas, and fairgrounds;

181           ~~[(j)]~~ (x) hospitals, convalescent homes, and homes for the aged or indigent; and  
182           ~~[(k)]~~ (xi) electric light works, electric generating systems, and any other improvements,  
183 facilities, or property used in connection with the generation and acquisition of electricity for  
184 these local political subdivisions and transmission facilities and substations if they do not  
185 duplicate transmission facilities and substations of other entities operating in the state prepared  
186 to provide the proposed service unless these transmission facilities and substations proposed to  
187 be constructed will be more economical to these local political subdivisions.

188           ~~[(3)]~~ (2) Any ~~[such]~~ improvement, facility, or property under Subsection (1) need not  
189 lie within the limits of the local political subdivision.

190           ~~[(4)]~~ (3) A cost under Subsection (1)(a) may include:

191           (a) the cost of equipment and furnishings for such improvements, facilities, or  
192 property;

193           (b) all costs incident to the authorization and issuance of bonds, including engineering,  
194 legal, and fiscal advisers' fees;

195           (c) costs incident to the issuance of bond anticipation notes, including interest to accrue  
196 on bond anticipation notes;

197           (d) interest estimated to accrue on the bonds during the period to be covered by the  
198 construction of the improvement, facility, or property and for 12 months after that period; and

199           (e) other amounts which the ~~[legislative]~~ governing body finds necessary to establish  
200 bond reserve funds and to provide working capital related to the improvement, facility, or  
201 property.

202           Section 3. Section **11-14-201** is amended to read:

203           **11-14-201. Election on bond issues -- Qualified electors -- Resolution and notice.**

204           (1) The ~~[legislative]~~ governing body of any local political subdivision that wishes to  
205 issue bonds under the authority granted in Section 11-14-103 shall, at least 75 days before the  
206 date of election:

207           (a) approve a resolution submitting the question of the issuance of the bonds to the  
208 voters of the local political subdivision; and

209           (b) provide a copy of the resolution to:

210           (i) the lieutenant governor; and

211           (ii) the election officer, as defined in Section 20A-1-102, charged with conducting the

212 election.

213 (2) The local political subdivision may not issue the bonds unless the majority of the  
214 qualified voters of the local political subdivision who vote on the bond proposition approve the  
215 issuance of the bonds.

216 (3) Nothing in this section requires an election for the issuance of:

217 (a) refunding bonds; or

218 (b) other bonds not required by law to be voted on at an election.

219 (4) The resolution calling the election shall include a ballot proposition, in substantially  
220 final form, that complies with the requirements of Subsection 11-14-206(2).

221 Section 4. Section **11-14-202** is amended to read:

222 **11-14-202. Notice of election -- Contents -- Publication -- Mailing.**

223 (1) (a) The [~~legislative~~] governing body shall ensure that:

224 (i) notice of the election is published once per week during three consecutive weeks in  
225 a newspaper designated in accordance with Section 11-14-316; and

226 (ii) the first publication occurs not less than 21 nor more than 35 days before the  
227 election.

228 (b) Notice shall be published in a newspaper having general circulation in the local  
229 political subdivision.

230 (2) When the debt service on the bonds to be issued will increase the property tax  
231 imposed upon the average value of a residence by an amount that is greater than or equal to \$15  
232 per year, the governing body shall, at least seven days but not more than 30 days before the  
233 bond election, if the bond election is not held on the date of a regular primary election, a  
234 municipal primary election, a regular general election, or a municipal general election, either  
235 mail:

236 (a) written notice of the bond election on a minimum three inch by five inch postcard  
237 to every household containing a registered voter who is eligible to vote on the bonds; or

238 (b) a voter information pamphlet prepared by the governing body, if one is prepared,  
239 that includes the information required by Subsection (4).

240 (3) (a) Except as provided in Subsection (3)(b), notice of the bond election need not be  
241 posted.

242 (b) (i) In a local political subdivision where there is no newspaper of general

243 circulation, the legislative body may require that notice of a bond election be given by posting  
244 in lieu of the publication requirements of Subsection (1).

245 (ii) When the [~~legislative~~] governing body imposes a posting requirement, the  
246 [~~legislative~~] governing body shall ensure that notice of the bond election is posted in at least  
247 five public places in the local political subdivision at least 21 days before the election.

248 (4) Any notice required by this section shall include:

249 (a) the date and place of the election;

250 (b) the hours during which the polls will be open; and

251 (c) the title and text of the ballot proposition.

252 (5) The [~~legislative~~] governing body shall pay the costs associated with the notice  
253 required by this section.

254 Section 5. Section **11-14-205** is amended to read:

255 **11-14-205. Special registration not required -- Official register supplied by clerk.**

256 (1) (a) Voter registration shall be administered according to the requirements of Title  
257 20A, Chapter 2, Voter Registration.

258 (b) The [~~legislative~~] governing body may not require or mandate any special  
259 registration of voters for a bond election.

260 (2) The county clerk of each county in which a local political subdivision holding the  
261 bond election is located shall prepare the official register for the bond election according to the  
262 requirements of Section 20A-5-401.

263 (3) The official register's failure to identify those voters not residing in the local  
264 political subdivision holding the bond election, or any inaccuracy in that identification, is not a  
265 ground for invalidating the bond election.

266 Section 6. Section **11-14-206** is amended to read:

267 **11-14-206. Ballots -- Submission of ballot language -- Form and contents.**

268 (1) At least 75 days before the election, the [~~legislative~~] governing body shall prepare  
269 and submit to the election officer:

270 (a) a ballot title for the bond proposition that includes the name of the local political  
271 subdivision issuing the bonds and the word "bond" or an identification of the type of bonds;  
272 and

273 (b) a ballot proposition that meets the requirements of Subsection (2).

274 (2) (a) The ballot proposition shall include:  
275 (i) the maximum principal amount of the bonds;  
276 (ii) the maximum number of years from the issuance of the bonds to final maturity; and  
277 (iii) the general purpose for which the bonds are to be issued.

278 (b) The purpose of the bonds may be stated in general terms and need not specify the  
279 particular projects for which the bonds are to be issued or the specific amount of bond proceeds  
280 to be expended for each project.

281 (c) If the bonds are to be payable in part from tax proceeds and in part from the  
282 operating revenues of the local political subdivision, or from any combination of tax proceeds  
283 and operating revenues, the bond proposition shall indicate those payment sources, but need  
284 not specify how the bonds are to be divided between those sources of payment.

285 (d) (i) The bond proposition shall be followed by the words, "For the issuance of  
286 bonds" and "Against the issuance of bonds," with appropriate boxes in which the voter may  
287 indicate his choice.

288 (ii) Nothing in Subsection (2)(d)(i) prohibits the addition of descriptive information  
289 about the bonds.

290 (3) If a bond proposition is submitted to a vote on the same day as any other election  
291 held in the local political subdivision calling the bond election, the bond proposition may be  
292 combined with the candidate ballot in a manner consistent with Section 20A-6-301,  
293 20A-6-303, or 20A-6-402.

294 (4) The ballot form shall comply with the requirements of Title 20A, Chapter 6, Ballot  
295 Form.

296 Section 7. Section **11-14-207** is amended to read:

297 **11-14-207. Counting and canvassing -- Official finding.**

298 (1) (a) Following the election officer's inspection and count of the ballots in accordance  
299 with the procedures of Title 20A, Chapter 4, Part 1, Counting Ballots and Tabulating Results,  
300 and Part 2, Transmittal and Disposition of Ballots and Election Returns, the [legislative]  
301 governing body shall meet and canvass the election results.

302 (b) (i) The [legislative] governing body of the local political subdivision is the board of  
303 canvassers for the bond proposition.

304 (ii) The board of canvassers shall always consist of a quorum of the [legislative]

305 governing body.

306 (c) The canvass of the election results shall be made in public no sooner than seven  
307 days after the election and no later than 14 days after the election.

308 (d) The canvass of election results shall be conducted according to the procedures and  
309 requirements of Subsection 20A-4-301(3) and Sections 20A-4-302 and 20A-4-303.

310 (e) If a bond proposition is submitted to a vote on the same day as any other election  
311 held in the local political subdivision calling the bond election, the [~~legislative~~] governing body  
312 shall coordinate the date of its canvass with any other board of canvassers appointed under  
313 Section 20A-4-301.

314 (2) (a) After the canvass of election returns, the [~~legislative~~] governing body shall  
315 record in its minutes:

316 (i) an official finding as to the total number of votes cast, the number of affirmative  
317 votes, the number of negative votes, the number of challenged voters, the number of challenged  
318 voters that were issued a provisional ballot, and the number of provisional ballots that were  
319 counted; and

320 (ii) an official finding that the bond proposition was approved or rejected.

321 (b) The [~~legislative~~] governing body need not file with the county clerk or with any  
322 other official:

323 (i) any statement or certificate of the election results;

324 (ii) any affidavit with respect to the facts pertaining to the election; or

325 (iii) any affidavit pertaining to the indebtedness and valuation of the municipality.

326 (3) The official finding that the majority of the qualified voters of the local political  
327 subdivision voting on the bond proposition approved the issuance of the bonds is conclusive in  
328 any action or proceeding involving the validity of the election or involving the determination or  
329 declaration of the result of the election if the action is filed after the expiration of the period  
330 provided in Subsection 20A-4-403(3).

331 Section 8. Section **11-14-301** is amended to read:

332 **11-14-301. Issuance of bonds by governing body -- Computation of indebtedness**  
333 **under constitutional and statutory limitations.**

334 (1) If the [~~legislative~~] governing body has declared the bond proposition to have carried  
335 and no contest has been filed, or if a contest has been filed and favorably terminated, the

336 [~~legislative~~] governing body may proceed to issue the bonds voted at the election.

337 (2) It is not necessary that all of the bonds be issued at one time, but bonds approved by  
338 the voters may not be issued more than ten years after the date of the election.

339 (3) (a) Bonds approved by the voters may not be issued to an amount [~~which~~] that will  
340 cause the indebtedness of the local political subdivision to exceed that permitted by the Utah  
341 Constitution or statutes.

342 (b) In computing the amount of indebtedness that may be incurred pursuant to  
343 constitutional limitations, the constitutionally permitted percentage shall be applied to the fair  
344 market value, as defined under Section 59-2-102, of the taxable property in the local political  
345 subdivision as computed from the last equalized assessment rolls for state and county purposes  
346 prior to the incurring of the additional indebtedness, except that in the case of cities the last  
347 equalized assessment rolls for city purposes shall be controlling.

348 (c) In determining the fair market value of the taxable property in the local political  
349 subdivision as provided in this section, the value of all tax equivalent property, as defined in  
350 Section 59-3-102, shall be included as a part of the total fair market value of taxable property  
351 in the local political subdivision, as provided in Title 59, Chapter 3, [~~the~~] Tax Equivalent  
352 Property Act.

353 (4) Bonds of improvement districts issued in a manner that they are payable solely  
354 from the revenues to be derived from the operation of the facilities of the district may not be  
355 included as bonded indebtedness for the purposes of the computation.

356 (5) Where bonds are issued by a city, town, or county payable solely from revenues  
357 derived from the operation of revenue-producing facilities of the city, town, or county, or  
358 payable solely from a special fund into which are deposited excise taxes levied and collected by  
359 the city, town, or county, or excise taxes levied by the state and rebated pursuant to law to the  
360 city, town, or county, or any combination of those excise taxes, the bonds shall be included as  
361 bonded indebtedness of the city, town, or county only to the extent required by the Utah  
362 Constitution, and any bonds not so required to be included as bonded indebtedness of the city,  
363 town, or county need not be authorized at an election, except as otherwise provided by the Utah  
364 Constitution, the bonds being hereby expressly excluded from the election requirement of  
365 Section 11-14-201.

366 (6) A bond election is not void when the amount of bonds authorized at the election

367 exceeded the limitation applicable to the local political subdivision at the time of holding the  
368 election, but the bonds may be issued from time to time in an amount within the applicable  
369 limitation at the time the bonds are issued.

370 Section 9. Section **11-14-302** is amended to read:

371 **11-14-302. Resolution -- Negotiability -- Registration -- Maturity -- Interest --**  
372 **Payment -- Redemption -- Combining issues -- Sale -- Financing plan.**

373 (1) Bonds issued under this chapter shall be authorized by resolution of the [legislative]  
374 governing body, shall be fully negotiable for all purposes, may be made registrable as to  
375 principal alone or as to principal and interest, shall mature at such time or times not more than  
376 40 years from their date, shall bear interest at such rate or rates, if any, shall be payable at such  
377 place or places, shall be in such form, shall be executed in such manner, may be made  
378 redeemable prior to maturity at such times and on such terms, shall be sold in such manner and  
379 at such prices, either at, in excess of, or below face value, and generally shall be issued in such  
380 manner and with such details as may be provided by resolution; it being the express intention  
381 of the legislature that interest rate limitations elsewhere appearing in the laws of Utah shall not  
382 apply to nor limit the rate of interest on bonds issued under this chapter. The resolution shall  
383 specify either the rate or rates of interest, if any, on the bonds or specify the method by which  
384 the interest rate or rates on the bonds may be determined while the bonds are outstanding. If  
385 the resolution specifies a method by which interest on the bonds may be determined, the  
386 resolution shall also specify the maximum rate of interest the bonds may bear. Bonds voted for  
387 different purposes by separate propositions at the same or different bond elections may in the  
388 discretion of the [legislative] governing body be combined and offered for sale as one issue of  
389 bonds. The resolution providing for this combination and the printed bonds for the combined  
390 issue shall separately set forth the amount being issued for each of the purposes provided for in  
391 each proposition submitted to the electors. If the local political subdivision has retained a  
392 fiscal agent to assist and advise it with respect to the bonds and the fiscal agent has received or  
393 is to receive a fee for such services, the bonds may be sold to the fiscal agent but only if the  
394 sale is made pursuant to a sealed bid submitted by the fiscal agent at an advertised public sale.

395 (2) (a) All bonds shall be paid by the treasurer of the local political subdivision or the  
396 treasurer's duly authorized agent on their respective maturity dates or on the dates fixed for the  
397 bonds redemption. All bond coupons, other than coupons cancelled because of the redemption

398 of the bonds to which they apply, shall similarly be paid on their respective dates or as soon  
399 thereafter as the bonds or coupons are surrendered.

400 (b) Upon payment of a bond or coupon, the treasurer of the local political subdivision  
401 or the treasurer's duly authorized agent, shall perforate the bond or coupon with a device  
402 suitable to indicate payment.

403 (c) Any bonds or coupons which have been paid or cancelled may be destroyed by the  
404 treasurer of the local political subdivision or by the treasurer's duly authorized agent.

405 (3) Bonds, bond anticipation notes, or tax anticipation notes with maturity dates of one  
406 year or less may be authorized by a local political subdivision from time to time pursuant to a  
407 plan of financing adopted by the ~~[legislative]~~ governing body. The plan of financing shall  
408 specify the terms and conditions under which the bonds or notes may be issued, sold, and  
409 delivered, the officers of the local political subdivision authorized to issue the bonds or notes,  
410 the maximum amount of bonds or notes which may be outstanding at any one time, the source  
411 or sources of payment of the bonds or notes, and all other details necessary for issuance of the  
412 bonds or notes. Subject to the Constitution, the ~~[legislative]~~ governing body of the local  
413 political subdivision may include in the plan of financing the terms and conditions of  
414 agreements which may be entered into by the local political subdivision with banking  
415 institutions for letters of credit or for standby letters of credit to secure the bonds or notes,  
416 including payment from any legally available source of fees, charges, or other amounts coming  
417 due under the agreements entered into by the local political subdivision.

418 Section 10. Section **11-14-303** is amended to read:

419 **11-14-303. Bonds, notes, or other evidences of indebtedness of political**  
420 **subdivisions exempt from taxation except corporate franchise tax.**

421 All bonds, notes, or other evidences of indebtedness issued under this chapter or under  
422 any other law authorizing the issuance of bonds, notes, or indebtedness by ~~[any county, city,~~  
423 ~~town, school district, public transit district, improvement district, special service district,~~  
424 ~~metropolitan water district, water conservancy district, irrigation district,]~~ a local political  
425 subdivision or any other political subdivision now existing or subsequently created under the  
426 laws of Utah, ~~[including[, but not limited to,] bonds payable solely from special assessments~~  
427 ~~and tax anticipation indebtedness[)],~~ and the interest on them shall be exempt from all taxation  
428 in this state, except for the corporate franchise tax.

429 Section 11. Section **11-14-304.5** is enacted to read:

430 **11-14-304.5. Recital in bonds -- Incontestability.**

431 (1) In the resolution authorizing bonds to be issued as provided in this chapter or other  
432 applicable law, a local political subdivision may require that the bonds recite that they are  
433 issued under authority of this chapter or other applicable law.

434 (2) (a) A bond recital as provided in Subsection (1) conclusively establishes full  
435 compliance with all the provisions of applicable law.

436 (b) All bonds issued containing a recital as provided in Subsection (1) shall be  
437 incontestable for any reason after their delivery for value.

438 Section 12. Section **11-14-305** is amended to read:

439 **11-14-305. Registration, denominations, and exchange of obligations.**

440 (1) As used in this section, "obligations" means bonds, bond anticipation notes, and tax  
441 anticipation notes.

442 ~~[(+)]~~ (2) Unless otherwise provided by the local political subdivision, [the] Title 15,  
443 Chapter 7, Registered Public Obligations Act, governs and applies to all [bonds, bond  
444 anticipation notes, and tax anticipation notes (bonds, bond anticipation notes and tax  
445 anticipation notes being referred to in this section as "obligations")] obligations issued in  
446 registered form. If [the] Title 15, Chapter 7, Registered Public Obligations Act, is inapplicable  
447 to an issue of obligations, Subsection [~~(2)~~] (3) governs and applies with respect to such issue.

448 ~~[(2)]~~ (3) Any obligations issued under this chapter may be issued in denominations [of  
449 \$100 or any multiple of \$100] as determined by the governing body. The [legislative]  
450 governing body may provide for the exchange of any of these obligations after issuance for  
451 obligations of larger or smaller denominations in such manner as may be provided in the  
452 authorizing resolution, provided the obligations in changed denominations shall be exchanged  
453 for the original obligations in like aggregate principal amounts and in such manner that no  
454 overlapping interest is paid; and such obligations in changed denominations shall bear interest  
455 at the same rate or rates, if any, shall mature on the same date or dates, shall be as nearly as  
456 practicable in the same form except for an appropriate recital as to the exchange, and shall in  
457 all other respects, except as to denominations and numbers, be identical with the original  
458 obligations surrendered for exchange. Where any exchange is made under this section, the  
459 obligations surrendered by the holders at the time of exchange shall be cancelled; any such

460 exchange shall be made only at the request of the holders of the obligations to be surrendered;  
461 and the [legislative] governing body may require all expenses incurred in connection with such  
462 exchange, including the authorization and issuance of the new obligations, to be paid by such  
463 holders.

464 Section 13. Section **11-14-306** is amended to read:

465 **11-14-306. Additional pledge for general obligation bonds -- Revenue bonds --**  
466 **Resolution.**

467 (1) To the extent constitutionally permissible, local political subdivisions may pledge  
468 as an additional source of payment for their general obligation bonds all or any part of  
469 revenues, fees, and charges attributable to the operation or availability of facilities or may issue  
470 bonds payable solely from such revenues, fees, or charges.

471 (2) (a) The [legislative] governing body may issue bonds payable solely from revenues,  
472 fees, or charges attributable to extensions and improvements to revenue-producing facilities.

473 (b) If the [legislative] governing body issues bonds under Subsection (2)(a), the  
474 resolution authorizing these bonds shall set forth as a finding of the [legislative] governing  
475 body:

476 (i) the value of the then existing facility and the value of this facility after completion  
477 of the extensions or improvements proposed to be constructed; and

478 (ii) that portion of the revenues, fees, or charges derived from the entire facility when  
479 the contemplated extensions and improvements are completed which the value of the existing  
480 facility bears to the value of the facility after completion shall be considered to be revenue  
481 derived from the existing facility and the remainder may be set aside and pledged to the  
482 payment of the principal of and interest on the bonds and for the establishment of appropriate  
483 reserve fund or funds, and such portion shall be considered to be revenue derived exclusively  
484 from the extensions and improvements.

485 (3) (a) Any resolution or trust indenture authorizing bonds to which such revenues,  
486 fees, or charges are pledged may contain such covenants with the future holder or holders of  
487 the bonds as to the management and operation of the affected facilities, the imposition,  
488 collection, and disposition of rates, fees, and charges for commodities and services furnished  
489 thereby, the issuance of future bonds, the creation of future liens and encumbrances against the  
490 facilities, the carrying of insurance, the keeping of books and records, the deposit and paying

491 out of revenues, fees, or charges and bond proceeds, the appointment and duties of a trustee,  
492 and other pertinent matters as may be considered proper by the [legislative] governing body.

493 (b) If the revenue, fee, or charge so pledged involves either sewer or water revenues,  
494 fees, or charges or both sewer and water revenues, fees, or charges, provision may be made for  
495 charges for sewer services and water services to be billed in a single bill and for the suspension  
496 of water or sewer services, or both, to any customer who shall become delinquent in the  
497 payment due for either.

498 (c) Provision may be made for the securing of such bonds by a trust indenture, but no  
499 such indenture shall convey, mortgage, or create any lien upon property of the local political  
500 subdivision.

501 (d) Either the bond resolution or such trust indenture may impose in the holders of the  
502 bonds full rights to enforce the provisions thereof, and may include terms and conditions upon  
503 which the holders of the bonds or any proportion of them, or a trustee therefor, shall be entitled  
504 to the appointment of a receiver who may enter and take possession of the facility or facilities,  
505 the revenues, fees, or charges of which are so pledged, and may operate and maintain them,  
506 prescribe charges and collect, receive, and apply all revenues, fees, or charges therefrom arising  
507 in the same manner as the local political subdivision itself might do.

508 Section 14. Section **11-14-307** is amended to read:

509 **11-14-307. Revenue bonds payable out of excise tax revenues.**

510 (1) To the extent constitutionally permissible, cities, towns, or counties may issue  
511 bonds payable solely from a special fund into which are to be deposited excise taxes levied and  
512 collected by the city, town, or county, or excise taxes levied by the state and rebated pursuant to  
513 law to the city, town, or county, or any combination of those excise taxes, or may pledge all or  
514 any part thereof as an additional source of payment for their general obligation bonds.

515 (2) (a) Any resolution authorizing the issuance of bonds payable in whole or in part  
516 from the proceeds of excise tax revenues may contain covenants with the holder or holders of  
517 the bonds as to the excise tax revenues, the disposition of the excise tax revenues, the issuance  
518 of future bonds, and other pertinent matters that are considered necessary by the [legislative]  
519 governing body to assure the marketability of those bonds, provided the covenants are not  
520 inconsistent with the provisions of this chapter.

521 (b) The resolution may also include provisions to insure the enforcement, collection,

522 and proper application of excise tax revenues as the [~~legislative~~] governing body may think  
523 proper.

524 (c) The proceeds of bonds payable in whole or in part from pledged class B or C road  
525 funds shall be used to construct, repair, and maintain streets and roads in accordance with  
526 Sections 72-6-108 and 72-6-110 and to fund any reserves and costs incidental to the issuance of  
527 the bonds.

528 (d) When any bonds payable from excise tax revenues have been issued, the resolution  
529 or other enactment of the legislative body imposing the excise tax and pursuant to which the  
530 tax is being collected, the obligation of the [~~legislative~~] governing body to continue to levy,  
531 collect, and allocate the excise tax, and to apply the revenues derived therefrom in accordance  
532 with the provisions of the authorizing resolution or other enactment, shall be irrevocable until  
533 the bonds have been paid in full as to both principal and interest, and is not subject to  
534 amendment in any manner which would impair the rights of the holders of those bonds or  
535 which would in any way jeopardize the timely payment of principal or interest when due.

536 (3) (a) The state pledges to and agrees with the holders of any bonds issued by a city,  
537 town, or county to which the proceeds of excise taxes collected by the state and rebated to the  
538 city, town, or county are devoted or pledged as authorized in this section, that the state will not  
539 alter, impair, or limit the excise taxes in a manner that reduces the amounts to be rebated to the  
540 city, town, or county which are devoted or pledged as authorized in this section until the bonds  
541 or other securities, together with applicable interest, are fully met and discharged.

542 (b) Nothing in this Subsection (3) precludes alteration, impairment, or limitation of  
543 excise taxes if adequate provision is made by law for the protection of the holders of the bonds.

544 (c) Each city, town, or county may include this pledge and undertaking for the state in  
545 those bonds.

546 (4) The outstanding bonds to which excise tax revenues have been pledged as the sole  
547 source of payment may not at any one time exceed an amount for which the average annual  
548 installments of principal and interest will exceed 80% of the total excise tax revenues received  
549 by the issuing entity from the collection or rebate of the excise tax revenues during the fiscal  
550 year of the issuing entity immediately preceding the fiscal year in which the resolution  
551 authorizing the issuance of bonds is adopted.

552 (5) Bonds issued solely from a special fund into which are to be deposited excise tax

553 revenues constitutes a borrowing solely upon the credit of the excise tax revenues received or  
554 to be received by the city, town, or county and does not constitute an indebtedness or pledge of  
555 the general credit of the city, town, or county.

556 (6) (a) Before issuing any bonds under this section, a city, town, or county shall:

557 (i) give public notice of its intent to issue the bonds; and

558 (ii) hold a public hearing to receive input from the public with respect to the issuance  
559 of the bonds.

560 (b) The city, county, or town shall:

561 (i) publish the notice once each week for two consecutive weeks in the official  
562 newspaper as designated under Section 11-14-316, with the first publication being not less than  
563 14 days before the public hearing; and

564 (ii) ensure that the notice identifies:

565 (A) the purpose for the issuance of the bonds;

566 (B) the maximum principal amount of the bonds to be issued;

567 (C) the excise taxes proposed to be pledged for repayment of the bonds; and

568 (D) the time, place, and location of the public hearing.

569 (7) A city, town, or county shall submit the question of whether or not to issue any  
570 bonds under this section to voters for their approval or rejection if, within 30 calendar days  
571 after the notice required by Subsection (6), a written petition requesting an election and signed  
572 by at least 20% of the registered voters in the city, town, or county is filed with the city, town,  
573 or county.

574 Section 15. Section **11-14-308** is amended to read:

575 **11-14-308. Special service district bonds secured by federal mineral lease**  
576 **payments -- Use of bond proceeds -- Bond resolution -- Nonimpairment of appropriation**  
577 **formula -- Issuance of bonds.**

578 (1) Special service districts may:

579 (a) issue bonds payable, in whole or in part, from federal mineral lease payments which  
580 are to be deposited into the Mineral Lease Account under Section 59-21-1 and distributed to  
581 special service districts under Subsection 59-21-2(3)(h); or

582 (b) pledge all or any part of the mineral lease payments referred to in Subsection (1)(a)  
583 as an additional source of payment for their general obligation bonds.

584 (2) The proceeds of these bonds may be used:  
585 (a) to construct, repair, and maintain streets and roads;  
586 (b) to fund any reserves and costs incidental to the issuance of the bonds and pay any  
587 associated administrative costs; and  
588 (c) for capital projects of the special service district.

589 (3) (a) The special service district board shall enact a resolution authorizing the  
590 issuance of bonds which, until the bonds have been paid in full:  
591 (i) shall be irrevocable; and  
592 (ii) may not be amended in any manner that would:  
593 (A) impair the rights of the bond holders; or  
594 (B) jeopardize the timely payment of principal or interest when due.

595 (b) Notwithstanding any other provision of this chapter, the resolution may contain  
596 covenants with the bond holder regarding:  
597 (i) mineral lease payments, or their disposition;  
598 (ii) the issuance of future bonds; or  
599 (iii) other pertinent matters considered necessary by the [~~legislative~~] governing body  
600 to:  
601 (A) assure the marketability of the bonds; or  
602 (B) insure the enforcement, collection, and proper application of mineral lease  
603 payments.

604 (4) (a) Except as provided in Subsection (4)(b), the state may not alter, impair, or limit  
605 the statutory appropriation formula provided in Subsection 59-21-2(3)(h), in a manner that  
606 reduces the amounts to be distributed to the special service district until the bonds and the  
607 interest on the bonds are fully met and discharged. Each special service district may include  
608 this pledge and undertaking of the state in these bonds.

609 (b) Nothing in this section:  
610 (i) may preclude the alteration, impairment, or limitation of these bonds if adequate  
611 provision is made by law for the protection of the bond holders; or  
612 (ii) shall be construed:  
613 (A) as a pledge guaranteeing the actual dollar amount ultimately received by individual  
614 special service districts;

615 (B) to require the Department of Transportation to allocate the mineral lease payments  
616 in a manner contrary to the general allocation method described in Subsection 59-21-2(3)(h); or

617 (C) to limit the Department of Transportation in making rules or procedures allocating  
618 mineral lease payments pursuant to Subsection 59-21-2(3)(h).

619 (5) (a) The average annual installments of principal and interest on bonds to which  
620 mineral lease payments have been pledged as the sole source of payment may not at any one  
621 time exceed:

622 (i) 80% of the total mineral lease payments received by the issuing entity during the  
623 fiscal year of the issuing entity immediately preceding the fiscal year in which the resolution  
624 authorizing the issuance of bonds is adopted; or

625 (ii) if the bonds are issued during the first fiscal year the issuing entity is eligible to  
626 receive funds, 60% of the amount estimated by the Department of Transportation to be  
627 appropriated to the issuing entity in that fiscal year.

628 (b) The Department of Transportation shall not be liable for any loss or damage  
629 resulting from reliance on the estimates.

630 (6) The final maturity date of the bonds may not exceed 15 years from the date of their  
631 issuance.

632 (7) Bonds may not be issued under this section after December 31, 2010.

633 (8) Bonds which are payable solely from a special fund into which mineral lease  
634 payments are deposited constitute a borrowing based solely upon the credit of the mineral lease  
635 payments received or to be received by the special service district and do not constitute an  
636 indebtedness or pledge of the general credit of the special service district or the state.

637 Section 16. Section **11-14-310** is amended to read:

638 **11-14-310. General obligation bonds -- Levy and collection of taxes.**

639 (1) Any bonds issued under this chapter in such manner that they are not payable solely  
640 from revenues other than those derived from ad valorem taxes are full general obligations of  
641 the local political subdivision, for the prompt and punctual payment of principal of and interest  
642 on which the full faith and credit of the local political subdivision are pledged, and the local  
643 political subdivision is hereby expressly required, regardless of any limitations which may  
644 otherwise exist on the amount of taxes which the local political subdivision may levy, to  
645 provide for the levy and collection annually of ad valorem taxes without limitation as to rate or

646 amount on all taxable property in the local political subdivision fully sufficient for such  
647 purpose. If by law ad valorem taxes for the local political subdivision are levied by a board  
648 other than its [~~legislative~~] governing body, the taxes for which provision is herein made shall  
649 be levied by such other board and the local political subdivision shall be under the duty in due  
650 season in each year to provide such other board with all information necessary to the levy of  
651 taxes in the required amount. Such taxes shall be levied and collected by the same officers, at  
652 the same time and in the same manner as are other taxes levied for the local political  
653 subdivision.

654 (2) If any local political subdivision shall neglect or fail for any reason to levy or  
655 collect or cause to be levied or collected sufficient taxes for the prompt and punctual payment  
656 of such principal and interest, any person in interest may enforce levy and collection thereof in  
657 any court having jurisdiction of the subject matter, and any suit, action or proceeding brought  
658 by such person in interest shall be a preferred cause and shall be heard and disposed of without  
659 delay. All provisions of the constitution and laws relating to the collection of county and  
660 municipal taxes and tax sales shall also apply to and regulate the collection of the taxes levied  
661 pursuant to this section, through the officer whose duty it is to collect the taxes and money due  
662 the local political subdivision.

663 Section 17. Section **11-14-311** is amended to read:

664 **11-14-311. Bond anticipation notes.**

665 (1) [~~Whenever the legislative~~] (a) If the governing body considers it advisable and in  
666 the interests of the local political subdivision to anticipate the issuance of bonds to be issued  
667 under this chapter, the [~~legislative~~] governing body may, pursuant to appropriate resolution,  
668 issue bond anticipation notes.

669 (b) Each resolution authorizing the issuance of bond anticipation notes shall:

670 [~~(a)~~] (i) describe the bonds in anticipation of which the notes are to be issued; [~~and~~]

671 [~~(b)~~] (ii) specify the principal amount of the notes and the maturity dates of the notes[~~-~~

672 ~~The resolution shall]; and~~

673 (iii) specify either the rates of interest, if any, on the notes or [~~specify~~] the method by  
674 which interest on the notes may be determined while the notes are outstanding.

675 (c) If the resolution specifies a method by which the interest rates on the notes may be  
676 determined, the resolution may specify the maximum rate of interest which the notes may bear.

677 (2) Bond anticipation notes shall be issued and sold in a manner and at a price, either  
678 at, below, or above face value, as the [~~legislative~~] governing body determines by resolution.  
679 Interest on bond anticipation notes may be made payable semiannually, annually, or at  
680 maturity. Bond anticipation notes may be made redeemable prior to maturity at the option of  
681 the [~~legislative~~] governing body in the manner and upon the terms fixed by the resolution  
682 authorizing their issuance. Bond anticipation notes shall be executed and shall be in a form  
683 and have details and terms as provided in the authorizing resolution.

684 (3) Contemporaneously with the issuance of the bonds in anticipation of which bond  
685 anticipation notes are issued, provision shall be made for the retirement of any outstanding  
686 bond anticipation notes.

687 (4) Whenever the bonds in anticipation of which notes are issued are to be payable  
688 from ad valorem taxes and constitute full general obligations of the local political subdivision,  
689 the bond anticipation notes and the interest on them shall be secured by a pledge of the full  
690 faith and credit of the local political subdivision in the manner provided in Section 11-14-310  
691 and shall also be made payable from funds derived from the sale of the bonds in anticipation of  
692 which the notes are issued. Whenever the bonds in anticipation of which the notes are to be  
693 issued are to be payable solely from revenues derived from the operation of revenue-producing  
694 facilities, these bond anticipation notes and the interest on them shall be secured by a pledge of  
695 the income and revenues derived by the local political subdivision from the revenue-producing  
696 facilities and shall also be made payable from funds derived from the sale of the bonds in  
697 anticipation of which the notes are issued.

698 (5) Bond anticipation notes issued under this section may be refunded by the issuance  
699 of other bond anticipation notes issued under this section.

700 (6) Sections 11-14-304, 11-14-305, 11-14-315, 11-14-316, and 11-14-401 apply to all  
701 bond anticipation notes issued under this section.

702 (7) Bonds are not considered to have been issued more than ten years after the date of  
703 the election authorizing the issuance of them, under Section 11-14-301, if the issuance of these  
704 bonds has been anticipated under this section by bond anticipation notes issued prior to the  
705 expiration of this ten-year period.

706 Section 18. Section **11-14-312** is amended to read:

707 **11-14-312. Prior bonds validated -- Exceptions.**

708 All bonds issued by any local political subdivision [~~prior to the effective date of this~~  
709 ~~chapter~~] before May 1, 2006, and all proceedings had in the authorization and issuance of them  
710 are hereby validated, ratified, and confirmed; and all such bonds are declared to constitute  
711 legally binding obligations in accordance with their terms. Nothing in this section shall be  
712 construed to affect or validate any bonds, the legality of which is being contested [~~at the time~~  
713 ~~this chapter takes effect~~] as of May 1, 2006.

714 Section 19. Section **11-14-313** is amended to read:

715 **11-14-313. Issuance of negotiable notes or bonds authorized -- Limitation on**  
716 **amount of tax anticipation notes or bonds -- Procedure.**

717 (1) (a) For the purpose of meeting the current expenses of the local political  
718 subdivision and for any other purpose for which funds of the local political subdivision may be  
719 expended, [~~the legislative~~] a local political subdivision may, if authorized by a resolution of its  
720 governing body [may], borrow money by issuing its negotiable notes or bonds in an initial  
721 principal amount:

722 (i) not in excess of 90% of the taxes and other revenues of the local political  
723 subdivision for the current fiscal year, [issuing therefor negotiable notes or bonds of the local  
724 political subdivision. In the event that such] if the notes or bonds are issued after the annual  
725 tax levy for taxes falling due during the fiscal year in which the notes or bonds are issued;

726 (ii) not in excess of 75% of the taxes and other revenues of the local political  
727 subdivision for the preceding fiscal year, if the notes or bonds are issued prior to the annual tax  
728 levy for taxes falling due during the fiscal year in which [such indebtedness is contracted, the  
729 amount so] the bonds or notes are issued [shall not exceed 75% of the tax revenues and other  
730 revenues of the preceding year, and the]; or

731 (iii) not in excess of 75% of the taxes and other revenues that the governing body of  
732 the local political subdivision estimates that the local political subdivision will receive for the  
733 current fiscal year, if the notes or bonds are issued within 24 months following the creation of  
734 the local political subdivision.

735 (b) The proceeds of the notes or bonds shall be applied only in payment of current and  
736 necessary expenses and other purposes for which funds of the local political subdivision may  
737 be expended[; and there].

738 (c) There shall be included in the annual levy a tax and there shall be provision made

739 for the imposition and collection of sufficient revenues other than taxes sufficient to pay the  
740 [~~same~~] notes or bonds at maturity. [~~In the event that~~]

741 (d) If the taxes and other revenues in any one year are insufficient through delinquency  
742 or uncollectibility of taxes or other cause to pay when due all the lawful debts of the local  
743 political subdivision which have been or may hereafter be contracted, the [~~legislative~~]  
744 governing body of the local political subdivision is authorized and directed to levy and collect  
745 in the next succeeding year a sufficient tax and to provide for the imposition and collection of  
746 sufficient revenues other than taxes to pay all of such lawfully contracted indebtedness, and  
747 may borrow as provided in this section in anticipation of such tax and other revenues to pay  
748 any such lawfully contracted indebtedness.

749 (e) Each resolution authorizing the issuance of tax anticipation notes or bonds shall:

750 [~~(a)~~] (i) describe the taxes or revenues in anticipation of which the notes or bonds are  
751 to be issued; and

752 [~~(b)~~] (ii) specify the principal amount of the notes or bonds, [~~the~~] any interest rates, [~~if~~  
753 ~~any,~~ (~~including a variable interest rate~~)], the notes or bonds shall bear, and the maturity dates  
754 of the notes or bonds, which dates shall not extend beyond the last day of the issuing local  
755 political subdivision's fiscal year.

756 (2) Tax anticipation notes or bonds shall be issued and sold in such manner and at such  
757 prices, [~~(f)whether at, below, or above face value~~], as the [~~legislative~~] governing body shall by  
758 resolution determine. Tax anticipation notes or bonds shall be in bearer form, except that the  
759 [~~legislative~~] governing body may provide for the registration of the notes or bonds in the name  
760 of the owner, either as to principal alone, or as to principal and interest. Tax anticipation notes  
761 or bonds may be made redeemable prior to maturity at the option of the [~~legislative~~] governing  
762 body in the manner and upon the terms fixed by the resolution authorizing their issuance. Tax  
763 anticipation notes or bonds shall be executed and shall be in such form and have such details  
764 and terms as shall be provided in the authorizing resolution.

765 (3) The provisions of Sections 11-14-303, 11-14-304, 11-14-305, 11-14-313,  
766 11-14-315, 11-14-316, 11-14-401, 11-14-403, and 11-14-404 shall apply to all tax anticipation  
767 notes or bonds issued under this section. In applying these sections to tax anticipation notes,  
768 "bond" or "bonds" as used in these sections shall be deemed to include tax anticipation notes.

769 Section 20. Section **11-14-314** is amended to read:

770 **11-14-314. Tax anticipation obligations validated.**

771 All obligations issued in anticipation of the collection of taxes and other revenues by  
772 any local political subdivision [~~prior to the effective date of this chapter~~] before May 1, 2006,  
773 and all proceedings had in the authorization and issuance of them are validated, ratified, and  
774 confirmed; and all these obligations are declared to constitute legally binding obligations in  
775 accordance with their terms. Nothing in this section shall be construed to affect or validate any  
776 of these obligations, the legality of which is being contested [~~at the time this chapter takes~~  
777 ~~effect~~] as of May 1, 2006.

778 Section 21. Section **11-14-315** is amended to read:

779 **11-14-315. Nature and validity of bonds issued -- Applicability of other statutory**  
780 **provisions -- Budget provision required -- Applicable procedures for issuance.**

781 Bonds issued under this chapter shall have all the qualities of negotiable paper, shall be  
782 incontestable in the hands of bona fide purchasers or holders for value and shall not be invalid  
783 for any irregularity or defect in the proceedings for their issuance and sale. This chapter is  
784 intended to afford an alternative method for the issuance of bonds by local political  
785 subdivisions and shall not be so construed as to deprive any local political subdivision of the  
786 right to issue its bonds under authority of any other statute, but nevertheless this chapter shall  
787 constitute full authority for the issue and sale of bonds by local political subdivisions. The  
788 provisions of Section 11-1-1, Utah Code Annotated 1953, shall not be applicable to bonds  
789 issued under this chapter. Any local political subdivision subject to the provisions of any  
790 budget law shall in its annual budget make proper provision for the payment of principal and  
791 interest currently falling due on bonds issued hereunder, but no provision need be made in any  
792 such budget prior to the issuance of the bonds for the issuance thereof or for the expenditure of  
793 the proceeds thereof. No ordinance, resolution or proceeding in respect to the issuance of  
794 bonds hereunder shall be necessary except as herein specifically required, nor shall the  
795 publication of any resolution, proceeding or notice relating to the issuance of the bonds be  
796 necessary except as herein required. Any publication made hereunder may be made in any  
797 newspaper conforming to the terms hereof in which legal notices may be published under the  
798 laws of Utah, without regard to the designation thereof as the official journal or newspaper of  
799 the local political subdivision. No resolution adopted or proceeding taken hereunder shall be  
800 subject to referendum petition or to an election other than as herein required. All proceedings

801 adopted hereunder may be adopted on a single reading at any legally convened meeting of the  
802 [legislative] governing body.

803 Section 22. Section **11-14-316** is amended to read:

804 **11-14-316. Publication of notice, resolution, or other proceeding -- Contest.**

805 (1) The [legislative] governing body of any local political subdivision may provide for  
806 the publication of any resolution or other proceeding adopted under this chapter in a newspaper  
807 having general circulation in the local political subdivision.

808 (2) When publication involves a resolution or other proceeding providing for the  
809 issuance of bonds, the [legislative] governing body may, in lieu of publishing the entire  
810 resolution or other proceeding, publish a notice of bonds to be issued, titled as such,  
811 containing:

812 (a) the name of the issuer;

813 (b) the purpose of the issue;

814 (c) the type of bonds and the maximum principal amount which may be issued;

815 (d) the maximum number of years over which the bonds may mature;

816 (e) the maximum interest rate which the bonds may bear, if any;

817 (f) the maximum discount from par, expressed as a percentage of principal amount, at  
818 which the bonds may be sold; and

819 (g) the times and place where a copy of the resolution or other proceeding may be  
820 examined, which shall be:

821 (i) at an office of the issuer;

822 (ii) identified in the notice;

823 (iii) during regular business hours of the issuer as described in the notice; and

824 (iv) for a period of at least 30 days after the publication of the notice.

825 (3) For a period of 30 days after the publication, any person in interest may contest:

826 (a) the legality of such resolution or proceeding;

827 (b) any bonds which may be authorized by such resolution or proceeding; or

828 (c) any provisions made for the security and payment of the bonds.

829 (4) A person shall contest the matters set forth in Subsection (3) by filing a verified  
830 written complaint in the district court of the county in which he resides within the 30-day  
831 period.

832 (5) After the 30-day period, no person may contest the regularity, formality, or legality  
833 of the resolution or proceeding for any reason.

834 Section 23. Section 11-14-317 is enacted to read:

835 **11-14-317. Bonds as legal investments -- Use as security for the faithful**  
836 **performance of acts.**

837 (1) All bonds issued under this chapter or other applicable law shall be legal  
838 investments for:

839 (a) all trust funds, including those under the jurisdiction of the state;

840 (b) the funds of all insurance companies, banks, and both commercial and savings and  
841 trust companies;

842 (c) the state school funds; and

843 (d) all sinking funds under the control of the state treasurer.

844 (2) If funds may by law be invested in or loaned upon the security of bonds of a county,  
845 city, or school district, funds may be invested in or loaned upon the security of the bonds of any  
846 other local political subdivision.

847 (3) If bonds of a county, city, or school district may by law be used as security for the  
848 faithful performance on execution of any court or private trust or any other act, the bonds of  
849 any other local political subdivision may be used in the same way.

850 Section 24. Section 11-14-405 is amended to read:

851 **11-14-405. Validity of prior bond issues.**

852 All bonds issued by any local political subdivision [~~prior to the effective date of this~~  
853 ~~chapter~~] before May 1, 2006, and all proceedings had in the authorization and issuance  
854 [~~thereof~~] of those bonds are hereby validated, ratified, and confirmed, and all [~~such~~] those  
855 bonds are declared to constitute legally binding obligations in accordance with their terms.  
856 Nothing in this section [~~shall~~] may be construed to affect or validate any bonds, the legality of  
857 which is being contested [~~at the time this chapter takes effect~~] as of May 1, 2006.

858 Section 25. Section 11-14-406 is amended to read:

859 **11-14-406. Application of chapter.**

860 Sections 11-14-201, 11-14-202, 11-14-203, 11-14-204, 11-14-205, and 11-14-207 shall  
861 apply to all bond elections held by any [~~city, town, county, school district, public transit~~  
862 ~~district, improvement district under Title 17A, Chapter 2, Part 3, special service district~~

863 ~~operating under authority of the Utah Special Service District Act, water conservancy district,~~  
 864 ~~metropolitan water district]~~ local political subdivision and, except as otherwise provided in  
 865 Section 11-14-402, by any other taxing district or governmental entity whether or not the bonds  
 866 are issued under authority granted by this chapter.

867 Section 26. Section **17A-2-103** is amended to read:

868 **17A-2-103. Conclusive presumption regarding creation and existence.**

869 Notwithstanding any other provision of law, an independent special district under this  
 870 chapter [~~created on or after May 4, 1999~~] shall be conclusively presumed to have been lawfully  
 871 created and existing if:

872 (1) for two years following the district's creation:

873 (a) the district has:

874 (i) levied and collected a tax; or

875 (ii) collected a fee, charge, assessment, or tax increment for a commodity, service,  
 876 facility, or improvement provided by the district; and

877 (b) no challenge has been filed in court to the existence or creation of the district; and

878 (2) the district has complied with Subsections 17A-1-102(1) and 17A-1-504(1).

879 Section 27. Section **17A-2-223** is amended to read:

880 **17A-2-223. Power of board to incur indebtedness.**

881 [~~The cemetery maintenance board or other officers of the district have no power to~~  
 882 ~~incur any debt or liability either by issuing bonds or otherwise in excess of the express~~  
 883 ~~provisions of this part and any debt or liability incurred in excess of these provisions is void;~~  
 884 ~~but for the purpose of organization or for]~~

885 (1) For any of the purposes of this part and subject to Subsections (2) and (3), the

886 [~~cemetery maintenance]~~ board of trustees of a cemetery maintenance district may [~~, before~~

887 ~~making the tax levy in the first year after the organization;]~~ incur an indebtedness not

888 exceeding in the aggregate a sum equal to .0001 per dollar of taxable value of taxable property

889 within the district.

890 (2) A board of trustees of a cemetery maintenance district may not issue bonds of the

891 district payable in whole or in part from property taxes unless the proposed bond issuance is

892 approved by a majority of the district voters voting at an election held for that purpose as

893 provided in Title 11, Chapter 14, Local Government Bonding Act.

894 (3) The issuance of notes or bonds by the board of trustees of a cemetery maintenance  
895 district is governed by Title 11, Chapter 14, Local Government Bonding Act.

896 Section 28. Section **17A-2-315** is amended to read:

897 **17A-2-315. Publication of resolution or proceeding -- Right to contest legality.**

898 The board of trustees may provide for the publication of any resolution or other  
899 proceeding adopted by the board in a newspaper published in or having general circulation in  
900 the district. For a period of 30 days after the date of ~~[such] the~~ publication, any person in  
901 interest ~~[shall have the right to]~~ may contest the legality of ~~[such] the~~ resolution or  
902 ~~[proceedings or any bonds which may be authorized thereby or by the provisions made for the~~  
903 ~~security and payment of any such bonds]~~ proceeding, and after ~~[such time]~~ that 30-day period  
904 no one ~~[shall have any cause of action to]~~ may contest the regularity, formality, or legality  
905 ~~[thereof]~~ of the resolution or proceeding for any cause whatsoever.

906 Section 29. Section **17A-2-317** is amended to read:

907 **17A-2-317. Ratification of districts created under prior laws -- Issuance of**  
908 **authorized bonds -- Amendatory proceedings.**

909 ~~[Whenever any]~~ (1) If a district has been ~~[heretofore]~~ created or purported to be created  
910 under ~~[authority of]~~ Chapter 25, Laws of Utah 1947, Chapter 24, Laws of Utah 1949, or ~~[the~~  
911 ~~act hereby amended and where proceedings have been adopted by the governing body of such~~  
912 ~~district for the purpose of authorizing the bonds of such district, whether or not such bonds are~~  
913 ~~payable from operating revenues or from taxes or both, and whether or not such bonds have~~  
914 ~~been heretofore delivered]~~ this part, all proceedings had in connection with the creation of  
915 ~~[such] the~~ district~~;~~ and the organization of the district's governing body ~~[thereof, and all~~  
916 ~~proceedings had in connection with the authorization of such bonds, and, when duly delivered~~  
917 ~~and paid for as required by such proceedings, the bonds themselves]~~ are hereby validated,  
918 ratified, and declared to be binding and effective in accordance with their terms  
919 notwithstanding any failure to comply with any one or more pertinent statutory provisions and  
920 notwithstanding whether such proceedings have been continuously in effect from the date of  
921 their adoption to the date of the passage of this part.

922 ~~[As to each district coming within the purview of this section which has heretofore~~  
923 ~~authorized bonds which have not yet been issued, the governing body of such district is hereby~~  
924 ~~authorized and empowered to do all things necessary to the issuance of such bonds and to the~~

925 ~~performance and carrying out of the contracts of such district, and such things may be done and~~  
926 ~~such bonds when issued shall benefit from the curative provisions of this section whether or~~  
927 ~~not changes in the details of the bonds and in the proceedings authorizing the issuance thereof~~  
928 ~~have been made since the original adoption thereof or may hereafter be made and without~~  
929 ~~regard to the nature of such changes.]~~

930 ~~[Where any] (2) (a) If a district has been [originally initiated or] created under~~  
931 ~~[authority of either] this part or Chapter 3, Part 2, County Improvement District Act, the~~  
932 ~~governing authority of [such] the district may [proceed to] issue bonds and operate facilities~~  
933 ~~under the authority of the law under which it was created or may, if in so doing provision is~~  
934 ~~made for the payment in full of all expenses and obligations [heretofore] incurred by [such] the~~  
935 ~~district for legal, engineering, fiscal agent's and other proper services, make such changes and~~  
936 ~~amendments in the proceedings for the authorization of [such] the bonds as may be necessary~~  
937 ~~to effect the authorization and issuance of [such] the bonds under [the provisions of] this part~~  
938 ~~[as amended], and to that end, may increase or decrease the amount of bonds so authorized,~~  
939 ~~may make such bonds payable in whole or in part from the operating revenues of the district or~~  
940 ~~from taxes or both as [herein] provided in this part, and may make any other changes in [such]~~  
941 ~~the proceedings it may [deem] consider to be in the best interests of the district.~~

942 ~~(b) If any such change has the effect of pledging or allocating to the payment of any~~  
943 ~~such bond taxes to be levied by such district, such amendatory proceedings shall become~~  
944 ~~effective only when there shall have been given notice of a public hearing by publishing notice~~  
945 ~~once a week for three successive weeks in a newspaper of general circulation in each county~~  
946 ~~that contains some or all of the district, and when the hearing has been held and appeals taken~~  
947 ~~therefrom, if any, terminated. For the purpose of this section, the county legislative body under~~  
948 ~~districts initiated or created under said Chapter 3, Part 2, County Improvement District Act,~~  
949 ~~shall at its option, if it elects hereafter to proceed hereunder, exercise all duties and functions~~  
950 ~~provided by this part to be exercised by the board of trustees of any district created hereunder~~  
951 ~~or may cause an election to be held for the election of trustees in accordance with the~~  
952 ~~provisions of this part.~~

953 Section 30. Section **17A-2-423** is amended to read:

954 **17A-2-423. Resolution calling election for issuing general obligation and revenue**  
955 **bonds.**

956 (1) ~~(a) [If under the foregoing provisions the board is authorized to call an election on~~  
957 ~~the issuance of the bonds, the] The board [shall] of trustees of a county service area may adopt~~  
958 a resolution directing that an election be held in the county [~~or~~] service area~~[, as the case may~~  
959 ~~be, for the purpose of determining] to determine~~ whether bonds in the amount, for the purpose,  
960 and with the maximum maturity specified in the resolution, [~~shall~~] should be issued. [~~A~~  
961 ~~proposition for issuing general obligation bonds and a proposition for issuing revenue bonds, or~~  
962 ~~any combination thereof, may be submitted at the same election.]~~

963 (b) An election is not required for the issuance of bonds payable solely from revenues  
964 derived from the county service area's commodities, services, or facilities.

965 (2) (a) Adoption of the resolution calling the election, determination of voters'  
966 qualifications, notice and conduct of the election, and the canvass of election results shall be  
967 accomplished in the manner prescribed in Title 11, Chapter 14, Local Government Bonding  
968 Act. [~~The board, for~~

969 (b) For purposes of the election, the board of trustees may:

970 (i) treat the entire district as a single precinct or divide the district into several  
971 precincts; and [it may]

972 (ii) fix [such] the polling places as [it] the board considers appropriate.

973 (3) (a) General obligation bonds of a county service area may not be issued if the  
974 amount of the bonds, when added to the then outstanding amount of general obligation bonds  
975 of the county service area, exceeds 12% of the fair market value, as defined in Section  
976 59-2-102, of the taxable property in the county service area.

977 (b) For purposes of this Subsection (3):

978 (i) the fair market value of all taxable equivalent property, as defined in Section  
979 59-3-102, shall be included as part of the fair market value of taxable property in the county  
980 service area; and

981 (ii) the fair market value shall be computed from the taxable value shown on the  
982 assessment rolls of the county in which the county service area is located as last equalized prior  
983 to the issuance of the bonds and by converting the taxable value to fair market value, using the  
984 appropriate multiple based on the statutory assessment ratio provided by law.

985 (c) Tax anticipation notes, bond anticipation notes, and other bonds of a county service  
986 area payable solely from revenues derived from the operation of the county service area's

987 commodities, services, or facilities may not be included in the calculation of the limit on the  
 988 amount of outstanding general obligation bonds under Subsection (3)(a).

989 Section 31. Section **17A-2-424** is amended to read:

990 **17A-2-424. Issuance of bonds -- Bonds as general obligations -- Tax levy --**  
 991 **Resolution for issuance and disposal of bonds -- Time for issuance of full amount.**

992 (1) (a) If a majority of the qualified [~~electors~~] voters voting [~~thereon shall~~] at an  
 993 election held pursuant to a resolution of the board of trustees adopted under Section 17A-2-423  
 994 vote in favor of incurring the indebtedness as proposed, the board of trustees [shall] may  
 995 proceed to issue the bonds in the amount of money specified or [such] in a lesser amount as it  
 996 may determine. [~~The bonds shall be issued]~~

997 (b) (i) If the board of trustees issues bonds as provided in Subsection (1)(a), the board  
 998 shall issue the bonds for the purpose or purposes provided in the voted proposition, which may  
 999 be for the acquisition, construction, or installation of any facility or property, including water  
 1000 and water rights, required or [~~deemed~~] considered necessary to supply any of the extended  
 1001 services referred to in Section 17A-2-403 or any part or combination [~~thereof~~] of the services,  
 1002 or for maintaining, repairing, improving, and extending the facility or property or combination  
 1003 of facilities and property.

1004 (ii) The proceeds of the bonds may also be used for the payment of all legal,  
 1005 engineering, and fiscal agent expenses reasonably incurred in connection with the construction,  
 1006 installation, improving, maintaining, repairing, and extending of the facilities or property and  
 1007 with the authorization and issuance of the bonds.

1008 (2) (a) Improvements in county service areas may be financed either entirely from ad  
 1009 valorem taxes or entirely from revenue of all or part of the facilities and property of the service  
 1010 area or in whole or in part from both ad valorem taxes and operating revenues.

1011 (b) All bonds of the county service area [~~which~~] that are not payable solely from the  
 1012 revenues of the service area [~~or from taxes proportionately levied on property benefited by the~~  
 1013 ~~improvements]~~ shall be the general obligations of the county, and the full faith, credit, and  
 1014 resources of the county service area shall be pledged for the payment [~~thereof~~] of the bonds.  
 1015 [~~Regardless of any limitations contained elsewhere in the laws of Utah and this part, including~~  
 1016 ~~Section 17A-2-414, it shall be the duty of the]~~

1017 (c) (i) Notwithstanding any other provision of law, the board of trustees [to] shall cause

1018 taxes to be levied annually on all taxable property in the county service area in the manner  
 1019 provided in Section 17A-2-414 but without regard to the limitation on rate [~~therein~~] set forth[;  
 1020 ~~which will~~] in that section.

1021 (ii) The taxes levied as provided in Subsection (2)(c)(i) shall be fully sufficient: [(~~a~~)]

1022 (A) to pay the interest on [~~such indebtedness~~] the bonds as it falls due; and [(~~b~~)]

1023 (B) to constitute a sinking fund for the payment of the principal [~~thereof~~] on the bonds  
 1024 within the time for which [~~such~~] the bonds are issued.

1025 [~~(3) The board of trustees shall provide by resolution for the issuance and disposal of~~  
 1026 ~~the bonds. The bonds may bear interest at such rate or rates and may be sold at public or~~  
 1027 ~~private sale, in such manner, and at such prices, either at, in excess of, or below the face value~~  
 1028 ~~thereof as may be provided in the resolution. The bonds may be made redeemable in advance~~  
 1029 ~~of maturity at such times and with such premium and may be issued for such period not~~  
 1030 ~~exceeding 40 years as may be provided in the resolution. The bonds may be either serial or~~  
 1031 ~~term bonds and may be in registered or coupon form.]~~

1032 [~~(4) If the board of trustees does not issue the full amount of the bonds stated in the~~  
 1033 ~~proposition approved by the electors, all or any part of the remainder so authorized may be~~  
 1034 ~~issued at any time not later than three years after the date of the election at which the~~  
 1035 ~~proposition was approved.]~~

1036 (3) If the board of trustees of a county service area issues bonds approved at an election  
 1037 held pursuant to a resolution adopted under Section 17A-2-432, the board shall issue the bonds  
 1038 as provided in Title 11, Chapter 14, Local Government Bonding Act.

1039 Section 32. Section **17A-2-426** is amended to read:

1040 **17A-2-426. Refunding bonds.**

1041 [~~Any bonds~~] Bonds issued by [~~any~~] a county service area may be refunded [~~pursuant to~~  
 1042 ~~resolutions adopted by the board of trustees in the manner provided by this part for the issuance~~  
 1043 ~~of other bonds except that no hearing or election need be held in order to issue refunding~~  
 1044 ~~bonds. Refunding bonds so issued may be secured in the manner and may be made payable~~  
 1045 ~~from those sources as may be provided in the resolution authorizing their issuance except that~~  
 1046 ~~bonds payable solely from the revenues of the service area may not be refunded into bonds~~  
 1047 ~~payable in whole or in part from taxes. Refunding bonds so issued may be sold at public or~~  
 1048 ~~private sale or may be exchanged for the bonds to be refunded. If sold, the proceeds of the sale~~

1049 may be escrowed for the payment of the bonds to be refunded in such manner as may be  
1050 authorized in the resolution authorizing the refunding bonds. No bonds may be refunded  
1051 unless they either mature or are callable for redemption under their terms within 12 months  
1052 from the date of issuance of the refunding bonds, or unless the holders of said bonds  
1053 voluntarily surrender them for exchange or payment] as provided in Title 11, Chapter 27, Utah  
1054 Refunding Bond Act.

1055 Section 33. Section ~~17A-2-428~~ is amended to read:

1056 **17A-2-428. Tax anticipation notes.**

1057 (1) The board of trustees of a county service area may issue notes in anticipation of the  
1058 receipt of taxes levied and revenues to be collected under this part. [~~The amount of notes so~~  
1059 ~~issued shall not exceed 75% of the tax revenues and other revenues of the preceding year, and~~  
1060 ~~the proceeds shall be applied only to pay current and necessary expenses and for other purposes~~  
1061 ~~for which funds for the service area may be expended, and there shall be included in the annual~~  
1062 ~~levy a tax in connection with which provision is made for the imposition and collection of~~  
1063 ~~sufficient revenues.]~~

1064 [~~(2) Each resolution authorizing the issuance of tax anticipation notes shall:]~~

1065 [~~(a) describe the taxes or revenues in anticipation of which the notes are to be issued;~~  
1066 ~~and]~~

1067 [~~(b) specify the principal amount of the notes, their rate of interest, which may be~~  
1068 ~~variable, and their maturity date, which shall not extend beyond the last day of the fiscal year of~~  
1069 ~~the issuing service area.]~~

1070 [~~(3) Tax anticipation notes shall be issued and sold in such manner and at such price~~  
1071 ~~(whether at, below, or above face value), as the board of trustees shall by resolution determine.~~

1072 ~~Tax anticipation notes shall be in bearer form, except that the board of trustees may provide for~~  
1073 ~~the registration of the notes in the name of the owner, either as to principal alone, or as to~~  
1074 ~~principal and interest. Tax anticipation notes may be made redeemable prior to maturity at the~~  
1075 ~~option of the board of trustees in the manner and upon the terms fixed by the resolution~~  
1076 ~~authorizing their issuance. Tax anticipation notes shall be executed and shall be in such form~~  
1077 ~~and have such details and terms as shall be provided for in the authorizing resolution.]~~

1078 [~~(4) The provisions of Sections 11-14-303, 11-14-304, 11-14-305, 11-14-313,~~  
1079 ~~11-14-315, 11-14-316, 11-14-401, 11-14-403, and 11-14-404 shall apply to all tax anticipation~~

1080 notes issued under this section. ~~In applying these sections to tax anticipation notes, "bond" or~~  
1081 ~~"bonds" as used in these sections shall be deemed to include tax anticipation notes.]~~

1082 (2) Notes issued under Subsection (1) shall be issued as provided in Title 11, Chapter  
1083 14, Local Government Bonding Act.

1084 Section 34. Section **17A-2-431** is amended to read:

1085 **17A-2-431. Publication of resolutions or other proceedings adopted by board --**  
1086 **Time limit for contesting legality.**

1087 (1) The board of trustees may provide for the publication once of any resolution or  
1088 other proceeding adopted by the board in a newspaper of general circulation in the service area.

1089 (2) (a) For a period of 30 days after the date of publication, any person in interest [~~shall~~  
1090 ~~have the right to~~] may contest the legality of the resolution or proceeding [~~or any bonds which~~  
1091 ~~may be authorized thereby~~] by a proper proceeding in the district court of the county in which  
1092 the service area is located [~~and after such time no one shall have any cause of action to~~].

1093 (b) ~~After that 30-day period, no one may~~ contest the regularity, formality, or legality of  
1094 any resolution or proceeding for any cause whatsoever.

1095 Section 35. Section **17A-2-543** is amended to read:

1096 **17A-2-543. Contractual powers -- Bond issues -- Elections -- Limitations -- Uses.**

1097 [~~Whenever the~~] (1) The board of trustees [~~considers it expedient it shall have power~~]  
1098 may, for the purpose of constructing drains, drainage canals, and other required improvements  
1099 necessary to drain lands in the district or conserve the public health or welfare, [~~to~~] make a  
1100 contract or contracts with the United States providing for the repayment of the principal and  
1101 such other sums due [~~thereunder~~] under the contract at such times as may be agreed upon, or to  
1102 issue bonds of the district [~~to run not less than five years nor more than 40 years, and to bear~~  
1103 ~~interest, payable semiannually, at a rate not exceeding 8% per annum to be called "drainage~~  
1104 ~~district bonds," which bonds shall not be sold for less than 90% of their par value, and the~~  
1105 ~~proceeds of which~~] as provided in Title 11, Chapter 14, Local Government Bonding Act.

1106 (2) The proceeds of any bonds issued as provided in Subsection (1) shall be used for no  
1107 other purpose than paying the cost of constructing [~~such~~] drains, drainage canals, or other like  
1108 work considered necessary to drain lands within the district, or conserve the public health or  
1109 welfare.

1110 (3) Before [~~such~~] a contract [~~or contracts shall~~] may be made or bonds [~~shall~~] may be

1111 issued, [~~the board of trustees shall request the county legislative body to order, and the county~~  
1112 ~~legislative body shall at once order a special election on the question of the issuance of bonds.~~  
1113 ~~The persons authorized to vote in, the giving of notice, the forms of ballots, and the manner of~~  
1114 ~~holding the election, and canvassing the results of the]~~ as provided in Subsection (1), an  
1115 election[;] on the proposed contract or bond issuance shall be held as provided in Title 11,  
1116 Chapter 14, Local Government Bonding Act. [~~The expenses of such election shall be paid out~~  
1117 ~~of the funds belonging to the drainage district. The terms and times of payment of the bonds so~~  
1118 ~~issued shall be fixed by the board of trustees. The bonds shall be issued for the benefit of the~~  
1119 ~~district authorizing the issue and shall bear the name and number of the district. The board of~~  
1120 ~~trustees shall keep a record of the bonds issued and sold or otherwise disposed of, and such~~  
1121 ~~record will also show the lands embraced in the district.] In no case shall the amount of bonds~~  
1122 ~~exceed the benefits assessed. [Each bond issued shall show expressly upon its face that it is to~~  
1123 ~~be paid by a tax assessed, levied, and collected on the lands within the drainage district. The~~  
1124 ~~board of trustees shall, by resolution, provide for the issuance and disposal of such bonds and~~  
1125 ~~for the payment of the interest thereon, the creation of a sinking fund for the ultimate~~  
1126 ~~redemption thereof, and for the date and manner of the redemption of the bonds. The board of~~  
1127 ~~trustees may sell or dispose of the bonds either at public or private sale. Before making any~~  
1128 ~~such sale, either private or public, the board of trustees shall give due notice of their intention~~  
1129 ~~to sell or dispose of the bonds, by publishing notice of sale at least once a week for four~~  
1130 ~~consecutive weeks in some newspaper having general circulation in the state and in the county~~  
1131 ~~where the district is situated, and by publishing in any other publication they consider~~  
1132 ~~advisable. The notice shall state that sealed proposals will be received by the board of trustees~~  
1133 ~~at their office, for the purchase of the bonds, until the day and hour fixed by the board of~~  
1134 ~~trustees. At the time appointed the board of trustees shall open the proposals, and award the~~  
1135 ~~purchase of the bonds to the highest responsible bidder, or may reject all bids. In case no bid is~~  
1136 ~~made and accepted as above provided, the board of trustees is hereby authorized to use the~~  
1137 ~~bonds for the construction of any ditches, drain or drains, drainage canal or drainage canals, or~~  
1138 ~~any other required improvement considered necessary to drain lands or for the public health or~~  
1139 ~~welfare:.]~~

1140 Section 36. Section 17A-2-908 is amended to read:

1141 **17A-2-908. Powers of board of trustees.**

1142 (1) The board of trustees may:

1143 [~~(1)~~] (a) take all necessary and proper steps for the extermination of mosquitoes, flies,  
1144 crickets, grasshoppers, and other insects within the district and to abate as nuisances all  
1145 stagnant pools of water and other breeding places for mosquitoes, flies, crickets, grasshoppers,  
1146 or other insects anywhere in the state situated so that mosquitoes therefrom may migrate into  
1147 the district;

1148 [~~(2)~~] (b) enter upon territory referred to in Subsection (1)(a) to inspect and examine the  
1149 same, and remove therefrom without notice, stagnant water or other breeding places for  
1150 mosquitoes, flies, crickets, grasshoppers, or other insects;

1151 [~~(3)~~] (c) purchase such supplies and materials and employ labor necessary or proper in  
1152 furtherance of the purposes of this part, and if necessary or proper, build, construct, repair, and  
1153 maintain necessary levees, cuts, canals, or channels upon any land within the district, and  
1154 acquire by purchase, condemnation, or other lawful means in the name of the district any  
1155 necessary lands, rights-of-way, easements, property, or materials requisite or necessary for any  
1156 of such purposes; and

1157 [~~(4)~~] (d) make contracts to indemnify or compensate any owner of land or other  
1158 property for any injury or damage necessarily caused by the exercise of its powers or arising  
1159 out of the use, taking, or damage of property for any such purposes and generally to do any and  
1160 all things necessary or incident to its powers and to carry out the purposes of this part.

1161 (2) (a) For any of the purposes of this part and subject to Subsections (2)(b) and (c), the  
1162 board of trustees may incur indebtedness not exceeding in the aggregate a sum equal to .0001  
1163 per dollar of taxable value of taxable property in the district.

1164 (b) A board of trustees may not issue bonds of the district payable in whole or in part  
1165 from property taxes unless the proposed bond issuance is approved by a majority of the district  
1166 voters voting at an election held for that purpose as provided in Title 11, Chapter 14, Local  
1167 Government Bonding Act.

1168 (c) The issuance of notes or bonds by the board of trustees is governed by Title 11,  
1169 Chapter 14, Local Government Bonding Act.

1170 Section 37. Section **17A-2-1326** is amended to read:

1171 **17A-2-1326. Administrative control board -- Powers -- Compensation.**

1172 (1) (a) The legislative body of a municipality or county that has established a special

1173 service district may, by resolution adopted at the time of the establishment or at any time  
1174 afterwards, create an administrative control board for the special service district.

1175 (b) (i) Except as provided in Subsection (1)(f), each administrative control board shall  
1176 consist of at least three and no more than seven persons.

1177 (ii) (A) If a county establishes a service district that includes all or part of one or more  
1178 municipalities or one or more improvement districts organized under Title 17A, Chapter 2, Part  
1179 3, County Improvement Districts for Water, Sewerage, Flood Control, Electric and Gas, to  
1180 provide the same service as the service district, the municipality or improvement district may  
1181 appoint one member to represent it on any administrative control board created.

1182 (B) A member appointed under Subsection (1)(b)(ii)(A) may, but need not, be a  
1183 qualified elector of the service district.

1184 (c) (i) If a service district is providing commodities, services, or facilities to an  
1185 institution of higher education, that institution may appoint the number of members necessary  
1186 to assure that it has at least 1/3 of the total of the board members to represent it on the board.

1187 (ii) Members appointed under Subsection (1)(c)(i) may, but need not, be qualified  
1188 electors of the service district.

1189 (d) The number of members of the administrative control board shall be increased by  
1190 the number of improvement district, municipal, or institution of higher education members  
1191 appointed.

1192 (e) (i) Except as provided in Subsections (1)(b)(ii)(B), (c)(ii), and (e)(ii), each member  
1193 of an administrative control board shall be a qualified elector of the service district.

1194 (ii) A member of an administrative control board may be other than a qualified elector  
1195 of the service district if at least 90% of the owners of property located within the service  
1196 district are not qualified electors of the service district.

1197 (f) Notwithstanding Subsection (1)(b), each administrative control board of a special  
1198 service district that provides jail services as provided in Subsection 17A-2-1304(1)(a)(x) shall  
1199 consist of nine members, three of whom shall be selected from a list of at least six  
1200 recommendations from the county sheriff, three of whom shall be selected from a list of at least  
1201 six recommendations from the municipalities within the county, and three of whom shall be  
1202 selected from a list of at least six recommendations from the county executive.

1203 (2) Members of the administrative control board other than improvement district,

1204 municipal, or institution of higher education members shall be either appointed or elected as  
1205 provided in Title 17A, Chapter 1, Part 3, Special District Board Selection Procedures.

1206 (3) (a) If a service district was established to provide either water or sewerage service  
1207 or both, the governing authority may by resolution adopted at or after the time of establishment,  
1208 or if the service district was established before March 29, 1983, or within 90 days after that  
1209 date, create an administrative control board according to Subsection (1).

1210 (b) A resolution creating a service district for water or sewerage purposes adopted  
1211 under Section 17A-2-1305 after March 29, 1983, shall identify all existing water and sewerage  
1212 districts within the area of the proposed service district.

1213 (4) (a) One-half of the members initially elected or appointed shall serve two-year  
1214 terms and 1/2 shall serve four year terms.

1215 (b) The initial terms shall be determined by lot.

1216 (5) (a) The legislative body of the municipality or county that established the service  
1217 district may, by resolution, delegate any of its powers to the administrative control board,  
1218 including the power to act as the governing authority of the service district and to exercise all  
1219 or any of the powers provided for in Sections 17A-2-1314, 17A-2-1316, 17A-2-1320, and  
1220 17A-2-1321.

1221 (b) Notwithstanding anything to the contrary in this part, the legislative body of the  
1222 municipality or county may not delegate the power to:

1223 (i) levy a tax on the taxable property of the service district;

1224 (ii) issue bonds [~~payable from taxes~~];

1225 (iii) call or hold an election for the authorization of the tax or bonds;

1226 (iv) levy assessments [~~for improvements in an improvement district created under~~  
1227 ~~Chapter 3, Part 3, Utah Municipal Improvement District Act, or Chapter 3, Part 2, County~~  
1228 ~~Improvement District Act~~];

1229 (v) issue interim warrants or bonds payable from those assessments; or

1230 (vi) appoint a board of equalization under Section 17A-3-217 or Section 17A-3-317.

1231 [~~(c) The administrative control board may not hold an election, levy a tax or~~  
1232 ~~assessment, or issue bonds or interim warrants unless the county or municipal legislative body~~  
1233 ~~that created the district has approved.~~]

1234 (6) The county or municipal legislative body that created the district may revoke in

1235 whole or in part any power or authority delegated to an administrative control board or other  
1236 officers or employees.

1237 (7) Administrative control board members may receive compensation and  
1238 reimbursement of expenses as provided in Section 17B-2-404 to the same extent as if they were  
1239 members of a board of trustees of a local district.

1240 (8) If a county legislative body establishes an administrative control board under this  
1241 section for a special service district that provides jail service as provided in Subsection  
1242 17A-2-1304(1)(a)(x), the administrative control board may review and approve any amount  
1243 charged to the special service district as reimbursement to the county for services provided  
1244 under Subsection 17A-2-1314(1)(g) before the amount is included in the special service district  
1245 budget.

1246 Section 38. Section **17A-2-1828** is amended to read:

1247 **17A-2-1828. Taxation of property and bonds.**

1248 [~~(1) A regional service area organized under this part is for the benefit of the people  
1249 residing within the regional service area, for the increase of their commerce and prosperity, and  
1250 for the improvement of their health and living conditions. The Legislature finds that a regional  
1251 service area performs essential government functions.]~~

1252 [~~(2) A general ad valorem or fee in lieu of taxes may not be levied upon any property  
1253 acquired or used by a regional service area.~~

1254 [~~(3) The bonds issued in conjunction with any regional service area, their transfer, and  
1255 the income from them, shall at all times be free from taxation by the state, or any of its  
1256 subdivisions, except for the corporate franchise tax and inheritance taxes.]~~

1257 Section 39. **Repealer.**

1258 This bill repeals:

1259 Section **17A-2-311, Recital in bonds -- Incontestability.**

1260 Section **17A-2-314, Refunding bonds -- Escrow of proceeds of sale.**

1261 Section **17A-2-316, Bonds to be legal investments -- Use as security for faithful  
1262 performance of acts.**

1263 Section **17A-2-321, Validation of creation, organization, bond proceedings and  
1264 bonds.**

1265 Section **17A-2-324, Validation of bonds.**

- 1266           Section 17A-2-330, **Validating provisions.**
- 1267           Section 17A-2-421, **Power to incur countywide indebtedness -- Limitation --**
- 1268           **Submission to electors.**
- 1269           Section 17A-2-422, **Proposal to incur indebtedness -- Resolution -- Notice --**
- 1270           **Hearing -- Calling of bond election -- Written protests.**
- 1271           Section 17A-2-427, **Recital in bonds as to authority for issuance -- Effect.**
- 1272           Section 17A-2-429, **Property and bonds exempt from taxation except corporate**
- 1273           **franchise tax and inheritance taxes.**
- 1274           Section 17A-2-547, **Refunding bonds -- Time limit.**
- 1275           Section 17A-2-558, **Bonds to be canceled.**
- 1276           Section 17A-2-825, **Validity of signatures and facsimile signatures.**
- 1277           Section 17A-2-832, **Bonds as legal investment for trust and institutional funds.**
- 1278           Section 17A-2-1825, **Recital in bonds -- Effect.**
- 1279           Section 17A-2-1827, **Bonds -- Legal investments -- Use as security.**